

**REMARKS**

Applicants respectfully request reconsideration of the instant application in view of the above amendments and the following remarks. By this amendment, claims 1 and 10-12 have been amended to correct minor typographical errors and to incorporate an additional clarifying element. As such, claims 1-12 are now pending in this application. No new matter has been added by way of this amendment.

**Rejection Under 35 USC § 103**

Claims 1-12 have been rejected under 35 U.S.C. § 103 as being unpatentable over the Examiner's assertion of Wallman (US 6,360,210) in view of May (US 6,317,727). Applicants respectfully traverse this rejection and request reconsideration in light of the above amendments and/or the following discussion.

With regard to independent claims 1, 10-12 and claims depending therefrom, the Examiner asserts that, "Wallman does not explicitly disclose allocating the risk to a bidder submitting an acceptable bid and auction host computer. However, May discloses these steps [abstract; Figures 1-2, 19, 22, 23; C1 L26-LL50; C3 L65 to C4 L4; C11 L64 to C12 L46; C38 L32-L45;] to provide an auction and settlement system and settle the trade by sending confirmation to both parties." In response to previous Applicant arguments, the Examiner asserts, "it is noted that the features upon which applicant relies (i.e., remarks on pages 1-2 'Standard trades do not have ...',) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims." Applicant asserts that the claim element in the present disclosure, directed towards allocating risk, is distinct from the general electronic trading system disclosed in May owing to the specific regulatory and timing requirements associated with risk transactions. In order to

crystallize this distinction, Applicant has amended the independent claims with a clarifying element, illustrating that the disclosed invention ensures "compliance of a risk transaction with a set of applicable risk auction rules and procedures". As amended, the claims better capture the desired embodiment, however Applicant asserts that the previous version of the claims was also patentable and reserves the right to return to it and seek allowance at a future time. Ensuring "compliance of a risk transaction with a set of applicable risk auction rules and procedures" adds an additional element and goes above and beyond the procedure outlined in May, which merely describes a system for "credit screening an electronic trade", "calculat[ing] the appropriate commission", and generating a "trade confirmation". The cited references thus fail to teach all of the claim limitations, thereby failing the third requirement for the establishment of a *prima facie* case of obviousness as outlined in MPEP § 2143.

Applicant further notes that if, *arguendo*, the May reference were combined with the Wallman reference, the resulting system would not successfully reproduce the present invention. To have enhanced utility for risk allocation, there must be more than "credit screening an electronic trade", "calculate[ing] the appropriate commission", and generating a "trade confirmation". The absence of additional considerations associated with the specific requirements of risk allocation in the combination of May and Wallman would doom the system to a plague of regulatory and timing inadequacies; ensuring "compliance of a risk transaction with a set of applicable risk auction rules and procedures" adds utility in the allocation of risk. Consequently, there would not be a reasonable expectation of success in that combination, thereby failing the second requirement for the establishment of a *prima facie* case of obviousness as outlined in MPEP § 2143.

Finally, the Examiner asserts that, "It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Wallman and include allocating the risk to a bidder submitting a acceptable bid using auction host computer, as disclosed by May, to provide settlement module to settle the bid for bidder who has entered into a transaction with counterparty." The settlement module, an element of the May disclosure, itself acts to settle the bid for bidder who has entered into a transaction with counterparty within the system devised by May. There is nothing in the referenced citations or elsewhere in May to suggest using the settlement module *anywhere else* outside the system disclosed by May, let alone within the system of Wallman. Furthermore, a settlement module designed to settle the general electronic transactions of the form discussed in May would not be suitable for risk allocation, and as such, there is no reason to believe it could be combined successfully with Wallman for the reasons discussed above. Thus, even if it were possible to incorporate the settlement module disclosed in May within the invention of Wallman, the result would generate transactional uncertainties and resulting uncertainty premiums associated with regulations and timing that would render the disclosure of Wallman unsatisfactory for its intended purpose of "reducing risk ... for a given portfolio". Consequently, there is no suggestion or motivation to combine the references, thereby failing the first requirement for the establishment of a *prima facie* case of obviousness as outlined in MPEP § 2143.

Consequently, the reference(s) cited by the office action do not result in the claimed invention, there was/is no motivation for such a combination of references (i.e., cited references do not teach, read on, suggest, or result in the claimed invention(s)), and the claimed inventions are not admitted to be prior art. Thus, the Applicant respectfully submits that the supporting remarks and claimed inventions, claims 1-20, all: overcome all rejections and/or

objections as noted in the office action, are patentable over and discriminated from the cited reference(s), and are in a condition for allowance. Furthermore, Applicant believes that the above remarks, which distinguish the claims over the cited reference(s), pertained only to noted claim element portions. These remarks are believed to be sufficient to overcome the prior art. While many other claim elements were not discussed, Applicant asserts that all such remaining and not discussed claim elements, all, also are distinguished over the prior art and reserves the opportunity to more particularly remark and distinguish such remaining claim elements at a later time should it become necessary. Further, any remarks that were made in response to an Examiner objection and/or rejection as to any one claim element, and which may have been re-asserted as applying to another Examiner objection and/or rejection as to any other claim element(s), any such re-assertion of remarks is not meant to imply that there is commonality about the structure, functionality, means, operation, and/or scope of any of the claim elements, and no such commonality is admitted as a consequence of any such re-assertion of remarks. As such, Applicant does not concede that any claim elements have been anticipated and/or rendered obvious by any of the cited reference(s). Accordingly, Applicant respectfully requests allowance, and the reconsideration and withdrawal of the rejection(s) and/or objection(s).

If a telephone conference would facilitate prosecution of this application in any way, the Examiner is invited to contact the undersigned at the number provided.

#### **AUTHORIZATION**

The Commissioner is hereby authorized to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17209-012.

In the event that an extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17209-012

Respectfully submitted,  
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